

SENATE FILE 2108  
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3038)

**A BILL FOR**

1 An Act relating to artisan's liens and Iowa's consumer frauds  
2 Act and making remedies applicable.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1. NEW SECTION.   **577.3 Possession to be surrendered**  
2 **upon notice from attorney general.**

3     1. A supplier, as defined in section 537B.2, upon receipt of  
4 a written notice from the attorney general that the attorney  
5 general has reason to believe that the supplier has engaged  
6 in a deceptive act or practice pursuant to section 537B.6,  
7 subsections 2 through 12, in connection with a transaction in  
8 which the supplier is asserting a lien to personal property  
9 pursuant to this chapter, shall surrender possession of the  
10 property to the owner of the property. The supplier shall  
11 make the property available to the owner within one business  
12 day of receiving notice from the attorney general during the  
13 supplier's usual business hours.

14    2. The attorney general shall serve the written notice  
15 pursuant to subsection 1 by certified mail and such notice  
16 shall be presumed to have been received by the supplier upon  
17 the earlier of the date of actual receipt, the date upon which  
18 the supplier refused initial delivery, or the date the supplier  
19 was notified was the last day to retrieve the delivery from the  
20 postal service.

21    3. The attorney general's belief that the supplier has  
22 engaged in a deceptive act or practice pursuant to section  
23 537B.6, subsections 2 through 12, the supplier's surrendering  
24 possession of the motor vehicle to the owner pursuant to this  
25 section, and the attorney general's service of notice on the  
26 supplier pursuant to this section shall not be admissible  
27 in any litigation between the supplier and the owner of the  
28 property subject to the lien unless the supplier fails to  
29 comply with the requirements of this section.

30    4. An otherwise valid lien under this chapter is not lost  
31 as a result of the supplier surrendering possession of the  
32 property pursuant to this section and an otherwise valid lien  
33 may be foreclosed pursuant to section 554.7308 within one year  
34 of the supplier surrendering possession under this section.

35    5. In addition to any other applicable remedy, the attorney

1 general may seek relief against a supplier for a violation  
2 of this section to the same extent the attorney general may  
3 seek relief under section 714.16, subsection 6, for failure or  
4 refusal to obey a subpoena issued by the attorney general.

5 EXPLANATION

6 This bill provides that a supplier under Code section  
7 537B.2 (a person offering to contract for repairs or service  
8 upon a motor vehicle), upon receipt of a written notice from  
9 the attorney general that the attorney general has reason  
10 to believe that the supplier has engaged in a deceptive act  
11 or practice under the motor vehicle service trade practices  
12 Act in connection with a transaction in which the supplier  
13 is asserting an artisan's lien to personal property, is  
14 required to surrender possession of the property to the owner  
15 of the property within one business day of receiving notice  
16 during the supplier's usual business hours. In addition, an  
17 otherwise valid artisan's lien is not extinguished as a result  
18 of the supplier surrendering possession of the property and  
19 an otherwise valid artisan's lien may be foreclosed pursuant  
20 to Code section 554.7308 within one year of the supplier  
21 surrendering possession under the bill.

22 The bill provides that the attorney general's belief that  
23 the supplier has engaged in a deceptive act or practice under  
24 the motor vehicle service trade practices Act, the supplier's  
25 surrendering possession of the motor vehicle to the owner  
26 pursuant to the bill, and the attorney general's service of  
27 notice on the supplier under the bill, is not admissible in any  
28 litigation between the supplier and the owner of the property  
29 subject to the lien unless the supplier fails to comply with  
30 the requirements of the bill.

31 The bill provides that, in addition to any other applicable  
32 remedy, the attorney general may seek relief against a supplier  
33 for a violation of the bill to the same extent the attorney  
34 general may seek injunctive or other relief under Iowa's  
35 consumer frauds Act for failure or refusal to obey a subpoena

S.F. 2108

1 issued by the attorney general.